

1 252(d)(1) of the Telecommunications Act of 1996, pursuant to
2 Section 271(c)(2)(B)(ii) and sections 51.307, 51.311, 51.315
3 and 51.321 of the FCC's rules. As I discussed previously,
4 BellSouth has refused to provide Intermedia with certain
5 unbundled elements requested by Intermedia, and has failed
6 to implement the Agreement in a timely manner.

7
8 Q: WHAT HAS BEEN INTERMEDIA'S EXPERIENCE WITH BELL SOUTH WITH
9 RESPECT TO THE PROVISION OF UNBUNDLED ELEMENTS?

10

11 A: Intermedia's experience with BellSouth with respect to the
12 provision of unbundled loops has been pitiable. As I
13 discussed previously, BellSouth has not been able to provide
14 Intermedia with unbundled loops capable of transporting
15 frame relay service, as well as subloop unbundling, despite
16 repeated requests and protests from Intermedia. As a
17 result, BellSouth has failed to meet the standards for the
18 provision of unbundled network elements under Sections 251,
19 252 and 271(d)(2)(ii) and (iv).

20

21 Q: IN YOUR EXPERIENCE, HOW RESPONSIVE HAS BELL SOUTH BEEN WITH
22 RESPECT TO CIRCUIT PROVISIONING AND OTHER REQUESTS?

23

24 A: BellSouth has not been responsive in many instances. In
25 fact, Intermedia has had numerous problems with BellSouth.
26 As I stated earlier, Intermedia requested a number of
27 unbundled elements from BellSouth on July 11, 1996.
28 Intermedia did not receive a response to its request for two
29 months (i.e., not until September 10). BellSouth agreed in

1 its response to provide Intermedia with conditioned frame
2 relay loops or four wire digitally capable loops, and did
3 not dispute its ability or obligation to do so. Now,
4 almost five months after its agreement to provide Intermedia
5 with these unbundled elements, and six months after
6 Intermedia's initial request, *BellSouth has still not*
7 *provided Intermedia with unbundled frame relay loops or*
8 *unbundled ISDN loops.* Thus, it is manifest that while
9 BellSouth may have entered into an Agreement with Intermedia
10 that includes the provision by BellSouth of unbundled
11 network elements, it has not delivered on that Agreement.
12 BellSouth has suggested that it does not have the people
13 available to implement its Agreement with Intermedia. It
14 is, however, BellSouth's obligation, pursuant to the 1996
15 Act and the Agreement, to devote the resources necessary to
16 provide Intermedia with the unbundled elements in a timely
17 manner. BellSouth's to devote resources necessary for the
18 implementation of the Agreement renders the agreement
19 meaningless.

20
21 One of the factors contributing to implementation
22 problems is BellSouth's failure to adopt a process for the
23 provisioning of unbundled network elements (timeframes,
24 process used, etc.). Pursuant to the Implementation Plan
25 agreed to by the parties, the time frame for adoption of
26 such a process was August 15, 1996, approximately four and
27 one half months ago. The fact that this deadline came and
28 went without action by BellSouth is indicative of the depth

1 and immediacy of the problem. Not only has BellSouth failed
2 to provide Intermedia with the requested unbundled network
3 elements in a timely manner, but it has failed even to meet
4 its deadline for adopting a process for the provisioning of
5 unbundled network elements.

6
7 BellSouth's delay in implementing the Agreement, in
8 part by not addressing the absence of a process for the
9 provisioning of unbundled network elements, and in part by
10 failing to devote the resources necessary for
11 implementation, has impeded the entry of facilities-based
12 competition in BellSouth's territory. In order to remedy
13 such problems on a going-forward basis, BellSouth should
14 commit to a formal written response to all requests for
15 unbundled network elements within 21 days. I understand
16 that BellSouth has included a Bona Fide Request Process in
17 its Statement. However, without a genuine commitment from
18 BellSouth, this purported "process" is guaranteed to fail.
19 Further, I question why it took BellSouth months to suggest
20 this process.

21
22 **Q: HAS BELL SOUTH PROVIDED INTERMEDIA WITH NONDISCRIMINATORY**
23 **ACCESS TO THE POLES, DUCTS, CONDUITS, AND RIGHTS-OF-WAY**
24 **OWNED OR CONTROLLED BY BELL SOUTH AT JUST AND REASONABLE**
25 **RATES IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 224 OF**
26 **THE COMMUNICATIONS ACT OF 1934 AS AMENDED BY THE**
27 **TELECOMMUNICATIONS ACT OF 1996, PURSUANT TO SECTION**
28 **272(c)(B)(iii) AND APPLICABLE RULES PROMULGATED BY THE FCC?**

1 A: As of this date, no issue with respect to access to poles,
2 ducts, conduits and rights-of-way, has arisen between
3 Intermedia and BellSouth.
4

5 Q: HAS BELL SOUTH PROVIDED INTERMEDIA WITH LOCAL LOOP
6 TRANSMISSION FROM THE CENTRAL OFFICE TO THE CUSTOMER'S
7 PREMISES, UNBUNDLED FROM LOCAL SWITCHING OR OTHER SERVICES
8 PURSUANT TO SECTION 271(C)(2)(B)(IV) AND APPLICABLE RULES
9 PROMULGATED BY THE FCC?
10

11 A: As I stated earlier, BellSouth has not provided Intermedia
12 with local loop transmission from the central office to the
13 customer's premises, unbundled from local switching or other
14 services pursuant to Section 271(c)(2)(B)(iv) and sections
15 51.307, 51.313, 51.319 and 51.321 of the FCC's rules. The
16 failure of BellSouth to devote resources necessary for the
17 implementation of the Agreement renders the Agreement
18 meaningless. BellSouth's conduct has had the effect of
19 delaying Intermedia's entry as a facilities-based carrier
20 into the local exchange market in Georgia.
21

22 Q: HAS BELL SOUTH PROVIDED INTERMEDIA WITH LOCAL TRANSPORT FROM
23 THE TRUNK SIDE OF A WIRELINE LOCAL EXCHANGE CARRIER SWITCH
24 UNBUNDLED FROM SWITCHING OR OTHER SERVICES PURSUANT TO
25 SECTION 271(C)(2)(B)(V) AND APPLICABLE RULES PROMULGATED BY
26 THE FCC?
27

28 A: BellSouth has not provided Intermedia with local transport
29 from the trunk side of a wireline local exchange carrier
30 switch unbundled from switching or other services pursuant
31 to Section 271(c)(2)(B)(v) and sections 51.307, 51.313,
32 51.319 and 51.321 of the FCC's rules. While BellSouth has

1 entered into an agreement with Intermedia specifying the
2 terms and conditions under which BellSouth will provide
3 Intermedia with access and interconnection to its network
4 facilities, it has not implemented, nor demonstrated the
5 commitment necessary to implement, the Agreement.
6 BellSouth's conduct has had the effect of delaying
7 Intermedia's entry as a facilities-based carrier into the
8 local exchange market in Georgia.

9
10 Q: HAS BELL SOUTH PROVIDED INTERMEDIA WITH LOCAL SWITCHING
11 UNBUNDLED FROM TRANSPORT, LOCAL LOOP TRANSMISSION, OR OTHER
12 SERVICES PURSUANT TO SECTION 271(C)(2)(B)(VI) AND APPLICABLE
13 RULES PROMULGATED BY THE FCC?

14
15 A: As of this date, no issue with respect to BellSouth's
16 provision of local switching unbundled from transport, local
17 loop transmission, or other services, has arisen between
18 Intermedia and BellSouth.

19
20 Q: HAS BELL SOUTH PROVIDED INTERMEDIA WITH NONDISCRIMINATORY
21 ACCESS TO THE FOLLOWING, PURSUANT TO SECTION
22 271(C)(2)(B)(VII) AND APPLICABLE RULES PROMULGATED BY THE
23 FCC; (A) 911 AND E911 SERVICES; (B) DIRECTORY ASSISTANCE
24 SERVICES TO ALLOW THE OTHER-TELECOMMUNICATIONS CARRIER'S
25 CUSTOMERS TO OBTAIN TELEPHONE NUMBERS; AND, (C) OPERATOR
26 CALL COMPLETION SERVICES?

27
28 A: BellSouth has not provided Intermedia with nondiscriminatory
29 access to (a) 911 and E911 services; (b) directory
30 assistance services to allow the other telecommunications
31 carrier's customers to obtain telephone numbers; and, (c)
32 operator call completion services, pursuant to Section

1 271(c)(2)(B)(vii) and sections 51.307, 51.313, 51.319 and
2 51.321 of the FCC's rules. While BellSouth has entered into
3 an agreement with Intermedia specifying the terms and
4 conditions under which BellSouth will provide Intermedia
5 with access and interconnection to its network facilities,
6 it has not demonstrated the commitment necessary to
7 implement the Agreement. BellSouth's conduct has had the
8 effect of delaying Intermedia's entry as a facilities-based
9 carrier into the local exchange market in Georgia.

10

11 Q: PLEASE DESCRIBE INTERMEDIA'S AGREEMENT WITH BELL SOUTH WITH
12 RESPECT TO 911/E911 SERVICE, OPERATOR SERVICES, ETC.
13

14 A: With respect to 911 and E911 services, the parties have
15 agreed that Intermedia will route the traffic to BellSouth
16 at the appropriate tandem or end office. Intermedia will
17 install dedicated trunks from Intermedia's serving wire
18 center to the appropriate 911/E911 tandem. For E911
19 services, Intermedia will deliver Automatic Number
20 Identification along with the call. The costs will be billed
21 to the appropriate municipality. See Section IX of
22 Agreement, "Access to 911/E911 Emergency Network," and the
23 attachments referenced therein, for the specific terms and
24 conditions governing access to 911 and E911 services.

25

26 BellSouth also has agreed to offer to Intermedia
27 Operator Call Processing Access Service, which includes
28 processing and verification of alternate billing information
29 for collect, calling card calls, and billing to a third

1 number; customized call branding; dialing instructions, and
2 other types of operator assistance requested by the
3 customer. The rates for Operator Call Processing Access
4 Services have been mutually agreed to by the parties.
5 BellSouth has also agreed to offer to Intermedia Directory
6 Assistance Access Services (Number Services) at rates
7 mutually agreed to by the parties. See Section X of
8 Agreement, "Provision of Operator Services," and the
9 attachments referenced therein, for the specific rates,
10 terms and conditions governing Operator Call Processing
11 Access Service and Directory Assistance Access Services.

12

13 Q: HAS BELL SOUTH PROVIDED WHITE PAGES DIRECTORY LISTINGS FOR
14 INTERMEDIA'S CUSTOMERS PURSUANT TO SECTION
15 271(C)(2)(B)(VIII) AND APPLICABLE RULES PROMULGATED BY THE
16 FCC?

17

18 A: BellSouth has not provided White Page directory listings for
19 customers of Intermedia, pursuant to Section
20 271(c)(2)(B)(viii). While BellSouth has entered into an
21 agreement with Intermedia specifying the terms and
22 conditions under which BellSouth will provide Intermedia
23 with access and interconnection to its network facilities,
24 it has not demonstrated the commitment necessary to
25 implement the Agreement. Intermedia, therefore, is not yet
26 offering local exchange service to customers. BellSouth's
27 conduct has had the effect of delaying Intermedia's entry as
28 a facilities-based carrier into the local exchange market in
29 Georgia.

1 Q: PLEASE DESCRIBE INTERMEDIA'S AGREEMENT WITH BELL SOUTH WITH
2 RESPECT TO WHITE PAGES DIRECTORY LISTINGS.

3

4 A: BellSouth has agreed to provide to Intermedia, at no charge,
5 listings of Intermedia's subscribers in the appropriate
6 White Pages or alphabetical directories and delivery of
7 copies of such directories to Intermedia's subscribers.
8 Intermedia may purchase from BellSouth, at its tariffed
9 rates, additional or optional listings. See Section XI of
10 Agreement, "Directory Listings," and the attachments
11 referenced therein, for the specific rates, terms and
12 conditions governing the provision of White Pages directory
13 listings for Intermedia's subscribers.

14

15 Q: HAS BELL SOUTH PROVIDED INTERMEDIA WITH NONDISCRIMINATORY
16 ACCESS TO TELEPHONE NUMBERS FOR ASSIGNMENT TO THE OTHER
17 TELECOMMUNICATIONS CARRIER'S TELEPHONE EXCHANGE SERVICE
18 CUSTOMERS, PURSUANT TO SECTION 271(c)(2)(B)(ix) AND
19 APPLICABLE RULES PROMULGATED BY THE FCC?

20

21 A: While BellSouth has entered into an agreement with
22 Intermedia specifying the terms and conditions under which
23 BellSouth will provide Intermedia with access and
24 interconnection to its network facilities, this aspect of
25 the Agreement has not yet been implemented. As a result,
26 Intermedia has not met its obligation under Section
27 271(c)(2)(B)(ix) and the rules promulgated by the FCC.

28

29 Q: PLEASE DESCRIBE INTERMEDIA'S AGREEMENT WITH BELL SOUTH WITH
30 RESPECT TO ACCESS TO TELEPHONE NUMBERS.

31

CERTIFICATE OF SERVICE

This is to certify that I have this day served a copies of the within and foregoing, Direct Testimony, and Notice of Change of Address, upon all known parties of record, by depositing same in the United States Mail, addressed as follows:

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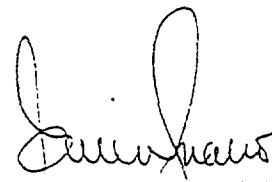
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This 13th day of February, 1997.



Enrico Soriano

* Via Federal Express

1 A: BellSouth has agreed that during any period under the
2 Agreement in which it serves as a North American Numbering
3 Plan administrator for its territory, it will ensure that
4 Intermedia has nondiscriminatory access to telephone numbers
5 for assignment to Intermedia's telephone exchange service
6 customers. The parties have agreed that BellSouth shall
7 provide numbering resources pursuant to the BellCore
8 Guidelines Regarding Number Assignment and that compliance
9 with those guidelines shall constitute nondiscriminatory
10 access to numbers. If BellSouth is no longer the North
11 American Numbering Plan administrator, the parties have
12 agreed that they will comply with the guidelines, plan or
13 rules adopted pursuant to 47 U.S.C. § 251(e). See Section
14 XII of the Agreement, "Access to Telephone Numbers," and the
15 attachments referenced therein, for the specific rates,
16 terms and conditions governing the assignment of telephone
17 numbers to Intermedia's customers.

18

19 Q: HAS BELLSOUTH PROVIDED INTERMEDIA WITH NONDISCRIMINATORY
20 ACCESS TO DATABASES AND ASSOCIATED SIGNALING NECESSARY FOR
21 CALL ROUTING AND COMPLETION, PURSUANT TO SECTION
22 271(C)(2)(B)(X) AND APPLICABLE RULES PROMULGATED BY THE FCC?

23

24 A: BellSouth has not provided Intermedia with nondiscriminatory
25 access to databases and associated signaling necessary for
26 call routing and completion, pursuant to Section
27 271(c)(2)(B)(x) and sections 51.307, 51.313, 51.319 and
28 51.321 of the FCC's rules. While BellSouth has entered into
29 an agreement with Intermedia specifying the terms and

1 conditions under which BellSouth will provide Intermedia
2 with access and interconnection to its network facilities,
3 it has not demonstrated the commitment necessary to
4 implement the Agreement. Intermedia, therefore, is not yet
5 offering facilities-based local exchange service in Georgia.
6 BellSouth's conduct has had the effect of delaying
7 Intermedia's entry as a facilities-based carrier into the
8 local exchange market in Georgia.

9

10 Q: PLEASE DESCRIBE INTERMEDIA'S AGREEMENT WITH BELL SOUTH WITH
11 RESPECT TO ACCESS TO DATABASE AND ASSOCIATED SIGNALLING
12 NECESSARY FOR CALL ROUTING AND COMPLETION, INCLUDING ACCESS
13 TO SS7 DATA BASE AND ASSOCIATED SIGNALING.

14

15 A: Intermedia and BellSouth have agreed that they will offer to
16 each other use of the signaling network and signaling
17 databases on an unbundled basis at published tariffed rates.
18 Signaling functionality will be available with both A-link
19 and B-link connectivity. BellSouth will enter Intermedia
20 line information into its Line Information Database
21 ("LIDB"). Entry of line information into LIDB will enable
22 Intermedia's end-users to participate or not participate in
23 alternate billing arrangements such as collect or third
24 number billed calls. BellSouth will store in its database
25 the relevant billing information and will provide responses
26 to on-line, call-by-call queries to this information for
27 purposes of Billed Number Screening, Calling Card Validation
28 and Fraud Control. See Section XIII of the Agreement,
29 "Access to Signaling and Signaling Databases," and the

1 attachments referenced therein, for the specific rates,
2 terms and conditions governing access to databases and
3 associated signaling necessary for call routing and
4 completion.

5
6 Q: HAS BELL SOUTH PROVIDED INTERMEDIA WITH NUMBER PORTABILITY,
7 PURSUANT TO SECTION 271(C)(2)(B)(XI) AND APPLICABLE RULES
8 PROMULGATED BY THE FCC?

9
10 A: BellSouth has not provided Intermedia with number
11 portability, pursuant to Section 271(c)(2)(B)(xi) and
12 applicable rules promulgated by the FCC. While BellSouth
13 has entered into an agreement with Intermedia specifying the
14 terms and conditions under which BellSouth will provide
15 Intermedia with access and interconnection to its network
16 facilities, it has not demonstrated the commitment necessary
17 to implement the Agreement. Intermedia, therefore, is not
18 yet offering facilities-based local exchange service to
19 customers in Georgia. BellSouth's strategy and conduct has
20 had the effect of delaying Intermedia's entry as a
21 facilities-based carrier into the local exchange market in
22 Georgia.

23
24 Q: PLEASE DESCRIBE INTERMEDIA'S AGREEMENT WITH BELL SOUTH WITH
25 RESPECT TO NUMBER PORTABILITY.

26
27 A: The Agreement provides that Service Provider Number
28 Portability ("SPNP") is an interim service arrangement
29 provided by each party to the other whereby an end user, who

1 switches subscription of this local exchange service from
2 BellSouth to Intermedia, or vice versa, is permitted to
3 retain use of his existing assigned telephone number,
4 provided that the end user remains at the same location for
5 his local exchange service or changes locations and service
6 providers but stays within the same serving wire center of
7 this existing number. The Agreement specifies that SPNP may
8 be provided via remote call forwarding or direct forward
9 dialing. However, the Agreement has not yet been
10 implemented. See Section VI of the Agreement, "Service
11 Provider Number Portability," and the attachments referenced
12 therein, for the specific rates, terms and conditions
13 governing number portability.

14

15 Q: HAS BELL SOUTH PROVIDED INTERMEDIA WITH NONDISCRIMINATORY
16 ACCESS TO SUCH SERVICES OR INFORMATION AS ARE NECESSARY TO
17 ALLOW THE REQUESTING CARRIER TO IMPLEMENT LOCAL DIALING
18 PARITY IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION
19 251(B)(3) OF THE TELECOMMUNICATIONS ACT OF 1996, PURSUANT TO
20 SECTION 271(C)(2)(B)(XII) AND APPLICABLE RULES PROMULGATED
21 BY THE FCC?

22

23 A: BellSouth has not provided Intermedia with nondiscriminatory
24 access to such services or information as are necessary to
25 allow the requesting carrier to implement local dialing
26 parity in accordance with the requirements of Section
27 251(b)(3) of the Telecommunications Act of 1996, pursuant to
28 Section 271(c)(2)(B)(xii) and applicable rules promulgated
29 by the FCC. While BellSouth has entered into an agreement
30 with Intermedia specifying the terms and conditions under
31 which BellSouth will provide Intermedia with access and

1 interconnection to its network facilities, it has not
2 demonstrated the commitment necessary to implement the
3 Agreement. Intermedia, therefore, is not yet offering
4 facilities-based local exchange service to customers.
5 BellSouth's conduct has had the effect of delaying
6 Intermedia's entry as a facilities-based carrier into the
7 local exchange market in Georgia.

8
9 Intermedia does not know at this time what BellSouth's
10 plans are for deployment of local dialing parity.

11
12 Q: HAS BELL SOUTH PROVIDED INTERMEDIA WITH RECIPROCAL
13 COMPENSATION ARRANGEMENTS IN ACCORDANCE WITH THE
14 REQUIREMENTS OF SECTION 252(D)(2) OF THE TELECOMMUNICATIONS
15 ACT OF 1996, PURSUANT TO SECTION 271(C)(2)(B)(XIII) AND
16 APPLICABLE RULES PROMULGATED BY THE FCC?

17
18 A: BellSouth has not provided Intermedia with reciprocal
19 compensation arrangements in accordance with the
20 requirements of Section 252(d)(2) of the Telecommunications
21 Act of 1996, pursuant to Section 271(c)(2)(B)(xiii) and
22 sections 51.701, 51.703, and 51.711 of the FCC's rules.
23 While BellSouth has entered into an agreement with
24 Intermedia specifying the terms and conditions under which
25 BellSouth will provide Intermedia with access and
26 interconnection to its network facilities, it has not
27 demonstrated the commitment necessary to implement the
28 Agreement. Intermedia, therefore, is not yet offering
29 facilities-based local exchange service to customers.
30 BellSouth's conduct has had the effect of delaying

switches subscription of this local exchange service from BellSouth to Intermedia, or vice versa, is permitted to retain use of his existing assigned telephone number, provided that the end user remains at the same location for his local exchange service or changes locations and service providers but stays within the same serving wire center of this existing number. The Agreement specifies that SPNP may be provided via remote call forwarding or direct forward dialing. However, the Agreement has not yet been implemented. See Section VI of the Agreement, "Service Provider Number Portability," and the attachments referenced therein, for the specific rates, terms and conditions governing number portability.

Q: HAS BELL SOUTH PROVIDED INTERMEDIA WITH NONDISCRIMINATORY ACCESS TO SUCH SERVICES OR INFORMATION AS ARE NECESSARY TO ALLOW THE REQUESTING CARRIER TO IMPLEMENT LOCAL DIALING PARITY IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 251(B)(3) OF THE TELECOMMUNICATIONS ACT OF 1996, PURSUANT TO SECTION 271(C)(2)(B)(XII) AND APPLICABLE RULES PROMULGATED BY THE FCC?

A: BellSouth has not provided Intermedia with nondiscriminatory access to such services or information as are necessary to allow the requesting carrier to implement local dialing parity in accordance with the requirements of Section 251(b)(3) of the Telecommunications Act of 1996, pursuant to Section 271(c)(2)(B)(xii) and applicable rules promulgated by the FCC. While BellSouth has entered into an agreement with Intermedia specifying the terms and conditions under which BellSouth will provide Intermedia with access and

1 interconnection to its network facilities, it has not
2 demonstrated the commitment necessary to implement the
3 Agreement. Intermedia, therefore, is not yet offering
4 facilities-based local exchange service to customers.
5 BellSouth's conduct has had the effect of delaying
6 Intermedia's entry as a facilities-based carrier into the
7 local exchange market in Georgia.

8
9 Intermedia does not know at this time what BellSouth's
10 plans are for deployment of local dialing parity.

11
12 Q: HAS BELLSOUTH PROVIDED INTERMEDIA WITH RECIPROCAL
13 COMPENSATION ARRANGEMENTS IN ACCORDANCE WITH THE
14 REQUIREMENTS OF SECTION 252(D)(2) OF THE TELECOMMUNICATIONS
15 ACT OF 1996, PURSUANT TO SECTION 271(C)(2)(B)(XIII) AND
16 APPLICABLE RULES PROMULGATED BY THE FCC?

17
18 A: BellSouth has not provided Intermedia with reciprocal
19 compensation arrangements in accordance with the
20 requirements of Section 252(d)(2) of the Telecommunications
21 Act of 1996, pursuant to Section 271(c)(2)(B)(xiii) and
22 sections 51.701, 51.703, and 51.711 of the FCC's rules.
23 While BellSouth has entered into an agreement with
24 Intermedia specifying the terms and conditions under which
25 BellSouth will provide Intermedia with access and
26 interconnection to its network facilities, it has not
27 demonstrated the commitment necessary to implement the
28 Agreement. Intermedia, therefore, is not yet offering
29 facilities-based local exchange service to customers.
30 BellSouth's conduct has had the effect of delaying

1 Intermedia's entry as a facilities-based carrier into the
2 local exchange market in Georgia.

3

4 Q: PLEASE DESCRIBE INTERMEDIA'S AGREEMENT WITH BELL SOUTH WITH
5 RESPECT TO RECIPROCAL COMPENSATION.

6

7 A: The Agreement provides that the delivery of local traffic
8 between the parties will be reciprocal and compensation will
9 be mutual. The Agreement further provides that the exchange
10 of traffic on BellSouth's Extended Area Service routes will
11 be considered as local traffic. Moreover, under the
12 Agreement, neither party will be required to compensate the
13 other for more than 105% of the total billed local
14 interconnection minutes of use of the party with the lower
15 total billed local interconnection minutes of use in the
16 same month on a statewide basis. See Section IV of the
17 Agreement, "Local Interconnection," and the attachments
18 referenced therein, for the specific rates, terms and
19 conditions governing reciprocal compensation.

20

21 Q: HAS BELL SOUTH PROVIDED INTERMEDIA WITH TELECOMMUNICATIONS
22 SERVICES AVAILABLE FOR RESALE IN ACCORDANCE WITH THE
23 REQUIREMENTS OF SECTION 251(C)(4) AND 252(D)(3) OF THE
24 TELECOMMUNICATIONS ACT OF 1996, PURSUANT TO SECTION
25 272(C)(2)(B)(XIV) AND APPLICABLE RULES PROMULGATED BY THE
26 FCC?

27

28 A: BellSouth has not provided Intermedia with
29 telecommunications services available for resale in
30 accordance with the requirements of Section 251(c)(4) and
31 252(d)(3) of the Telecommunications Act of 1996, pursuant to

1 Section 272(c)(2)(B)(xiv) and sections 51.601-51.617 of the
2 FCC's rules. There has not been full implementation of the
3 Agreement due to a number of specific problems that have
4 arisen with BellSouth with respect to resale. For example,
5 the Implementation Plan agreed to by the parties addresses
6 billing and payment provisions for resale services. The
7 deadline set forth in the Implementation Plan is August 1,
8 1996. Yet four months after the deadline Intermedia is
9 still not receiving from BellSouth the information necessary
10 for Intermedia to bill its customers.

11 Intermedia needs, and has requested, an electronic,
12 disaggregated version of billing information rather than a
13 paper version of a bill that aggregates all of the
14 information. Yet BellSouth is still providing Intermedia
15 with paper versions of aggregated billing data. This
16 requires Intermedia to dedicate personnel to manually review
17 each BellSouth bill and manually input the information into
18 Intermedia's own computerized database before Intermedia can
19 generate a bill. This imposes a burdensome and costly
20 process on Intermedia that would be completely eliminated if
21 BellSouth provided Intermedia with data in electronic
22 format, either on computer disk or via e-mail. Such
23 electronic provision of billing data is standard practice
24 throughout the industry. Also, without the requested
25 detailed billing information, Intermedia cannot perform bill
26 verification and cannot properly bill its resale customers.

27 Another issue that has arisen is BellSouth's attempt to
28 impose termination liability charges on customers who are

1 under contract with BellSouth and who choose to switch to
2 Intermedia's resold local exchange service. It has recently
3 come to Intermedia's attention that BellSouth is attempting
4 to impose termination liability charges on customers that
5 convert to services resold by Intermedia. As discussed
6 below, this practice would violate the terms of the
7 Agreement and the interconnection provisions of the 1996
8 Act, and is inconsistent with sound public policy.

9 BellSouth's General Services Tariff includes a
10 provision that imposes termination liability penalties for
11 customers that take service under long term contracts and
12 terminate the service before the full contract runs. The
13 penalty is considerable -- Section 40.10 of the tariff
14 explains that, if a customer signs up for a service for a
15 five year period, and cancels after one year, the customer
16 pays 90% of the rates that it would have paid for the
17 remaining four years of the contract.

18 Intermedia has no complaint regarding BellSouth's
19 termination liability provision and, indeed, BellSouth has
20 the right to establish any termination provisions that it
21 wishes, consistent with Commission regulations. Recently,
22 however, BellSouth has proposed to apply such termination
23 liability penalties to customers that switch from
24 BellSouth's services to resold services provided by
25 Intermedia. Such action was never contemplated in the
26 interconnection negotiations involving BellSouth and

1 Intermedia. Moreover, the language of the Agreement makes
2 clear that application of the termination liability charges
3 would violate the intention of the parties. Specifically,
4 in defining the terms under which Intermedia would resell
5 the services of BellSouth, the Agreement states, "Resold
6 services are subject to the same terms and conditions as are
7 specified for such services when furnished to an individual
8 end user of BellSouth in the appropriate section of
9 BellSouth's Tariffs." This provision suggests that when
10 Intermedia resells a service that was previously offered by
11 BellSouth to an end user customer, Intermedia will adopt the
12 same terms that applied to that service arrangement,
13 including any term commitments to which the customer was
14 subject. As a result, the application of termination
15 penalties to the customer is inappropriate.

16 Furthermore, BellSouth's proposal to impose termination
17 penalties when customers take resold service from Intermedia
18 violates the resale provisions of the 1996 Act. By imposing
19 a termination penalty on existing customers, BellSouth
20 creates an insurmountable barrier to resale. Clearly, no
21 customer would take resold service from Intermedia if it had
22 to continue to pay BellSouth 90% of the service rate for the
23 remainder of the term. Conversely, if the customer did
24 choose to pay the penalty, the imposition of such a penalty
25 would unjustly enrich BellSouth. When a customer switches
26 from taking service directly from BellSouth to taking a
27 service resold by Intermedia, BellSouth does not experience

1 a net loss or earnings. The 1996 Act requires that
2 BellSouth's wholesale rates must be set at avoided cost. In
3 cases where a customer stops taking service directly from
4 BellSouth, but continues taking BellSouth service provided
5 by a reseller, this pricing rule ensures that BellSouth
6 continues to recover all relevant costs -- while BellSouth
7 will realize a reduction in revenues from the loss of the
8 end user customer, it also realizes a reduction in the
9 avoided costs associated with the service. As long as the
10 reseller continues to take the service from BellSouth, all
11 non-avoidable costs are recovered, and BellSouth experiences
12 no net reduction in earnings.

13 Moreover, if a customer continued to pay BellSouth 90%
14 of the retail service rate, and Intermedia were to pay the
15 wholesale rate for the same service, BellSouth effectively
16 would be paid twice for the same service. As a result,
17 imposition of the termination liability penalty would
18 violate Sections 252(d)(3) and 271(xiv) of the 1996 Act,
19 which require that the charges for wholesale services be
20 based on cost.

21 Finally, both sound public policy and common sense
22 militate against BellSouth's proposed application of
23 termination penalties. As noted above, customers will not
24 switch to service provided by a reseller if they also have
25 to continue to pay 90% of the service rates to BellSouth.
26 In fact, there is only one responsible means of preventing

1 BellSouth's practice from becoming an insuperable barrier to
2 competition: either allow resellers to assume the remainder
3 of the term obligation of customers with long-term service
4 contracts, or establish a "fresh look" period that would
5 absolve customers of termination penalties if they choose to
6 take service from a competitive carrier who is reselling the
7 services of BellSouth.

8 Indeed, concerns that a similar application of
9 termination penalties would inhibit competition compelled
10 the FCC to impose a "fresh look" provision when it adopted
11 its procompetitive rules governing central office
12 collocation in 1993. Because BellSouth's attempted
13 application of termination penalties effectively prevents
14 existing customers from switching to resold services
15 provided by a competitor, it constitutes an "unreasonable .
16 . . condition[] or limitation[] on, the resale of . . .
17 telecommunications service" and so violates Sections
18 251(c)(4) and 271(xiv) of the Telecommunications Act of
19 1996.

20
21 **Q: PLEASE DESCRIBE INTERMEDIA'S RESALE ARRANGEMENTS WITH**
22 **BELLSOUTH.**

23
24 **A:** BellSouth and Intermedia have agreed that the wholesale
25 discount for BellSouth's resold business services in Georgia
26 is, at the present time, 17.3%. This discount rate is
27 subject to change as a result of final resolution of the

Commission's June 12, 1996 Order. The Agreement provides that grandfathered services; promotional and trial retail service offerings; lifeline and linkup services; contract service arrangements; installment billing options; 911 and E911 services; interconnection services for mobile service providers; legislatively or administratively mandated specialized discounts (e.g. education institutions discount); and discounted services to meet competitive situations, are not available for resale. Other restrictions also apply. See Section VII of Agreement, "BellSouth's Offer of Services Available for Resale," and the attachments referenced therein, for the specific terms and conditions governing resale.

PUBLIC INTEREST DETERMINATION

Q: PLEASE DESCRIBE THE FACTORS THAT THIS COMMISSION SHOULD CONSIDER IN ASSESSING WHETHER IN-REGION INTERLATA AUTHORIZATION FOR BELL SOUTH WOULD BE CONSISTENT WITH THE PUBLIC INTEREST, CONVENIENCE, AND NECESSITY.

A: This Commission will play a critical role in the Section 271 process. In fact, the Department of Justice ("DOJ") recently stated that state regulators will have a "front-line" role in evaluating and establishing a record of local competition . . .¹ One of the most important factors for

¹ *Communications Daily*, Vol. 16, No. 14 (July 23, 1996), reporting comments made in a speech by David Turetski, Deputy Assistant, Attorney General, Antitrust Division, Department of Justice.

1 the Commission to consider in determining in its evaluation
2 and recordation process whether in-region interLATA
3 authorization for BellSouth is consistent with the public
4 interest, convenience, and necessity, is whether there has
5 been actual implementation of its interconnection
6 agreements. In other words, it is necessary for BellSouth
7 to actually be providing service pursuant to the Agreement
8 before that Agreement can be considered adequate to meet the
9 requirements of Section 271(c)(1)(A). This conclusion is
10 supported both by the plain language of the Act and by
11 public policy considerations. Section 271(c)(1)(A)
12 anticipates that a BOC request for in-region interLATA
13 authorization can be premised on the "presence of a
14 facilities-based competitor." That provision states that a
15 BOC "meets the requirements of this subparagraph if . . .
16 the Bell operating company is providing access and
17 interconnection to its network facilities" The
18 plain language of the statute therefore establishes that the
19 actual provision of interconnection service -- and not
20 simply the promise of such service -- is required to meet
21 the standards established under Section 271(c)(1)(A). The
22 Joint Explanatory Statement of the Committee of Conference
23 that was published with the Act, further clarifies this
24 provision:

25 The requirement that the BOC "is providing access and
26 interconnection" means that the competitor has
27 implemented the agreement and the competitor is
28 operational. This requirement is important because it
29 will assist the appropriate State commission in
30 providing its consultation and in the explicit factual
31 determination by the Commission [FCC] under new section